(b) whether revenue from Fringe Benefit Tax, as on 31 st July, 2005 is estimated at Rs. 583 crore, if so, how much of this has come from Small Scale Industries;

(c) whether Government have been evaluating the impact on FBT of Small Scale Industries;

(d) what measures Government have taken to spread the information about the complex rules of the FBT to SSIs; and

(e) whether Government propose to simplify the procedure of filing the FBT?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Yes, Sir. The amount of Fringe Benefit Tax collected till 31st July, 2005 was Rs. 583 crores. The contribution of Small Scale Industries (SSIs) in the total collections under FBT is not ascertainable, as the Government does not maintain separate record of taxes paid by SSIs.

(c) No such evaluation has been undertaken by the Government.

(d) Interactive sessions with all categories of taxpayers and the officers are being held on a continuous basis to educate them about the Fringe Benefit Tax. A detailed Circular explaining the provisions of FBT and also containing Frequently Asked Questions has been issued and is available on the official website of the Department (incometaxindia gov. in).

(e) The simplification of procedures relating to Direct Taxes is a continuous process. The same is carried out on the basis of suggestions received from taxpayers and the field officers.

Blocking of yearly contribution of Provident Funds

1418. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Employees, Provident Fund Organization has proposed that 40 per cent of the yearly contribution of the Provident Fund should be blocked for release only at the time of retirement or death whichever is earlier; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Madam.

(b) Does not arise in view of (a) above.

Unified Tax Regime

1419. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Commerce Associations have urged Government to initiate action towards integration of Central Value Added Tax (VAT) and State level VAT; and

(b) whether it is proposed to bring a Unified Tax Regime, if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b)As per the provisions of the Constitution, the Central Government is empowered to levy tax on manufacture of goods (CENVAT), whereas the State Governments have the powers to levy tax on purchase or sale of goods within a State (State VAT). Therefore, integration of CENVAT and State VAT would require a constitutional amendment. Moreover, a number of other issues would require to be settled, in consultation with the States, before a Unified Tax Regime is implemented. Some States have not implemented VAT yet. The Central Sales Tax on inter-State sale of goods will also need to be integrated with VAT. There is also the question of integration of taxation of goods and services. Thus, there is no prospect of implementation of a Unified Tax Regime in the immediate future.

States debt burden

1420. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various State Governments are facing acute financial problems and they are trapped in debt;

(b) if so, the details thereof;